

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL  
FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

9 5 — 4 9

2. STATE:

Missouri

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

December 11, 1995

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR

7. FEDERAL BUDGET IMPACT:

a. FFY 96 \$ 5,626 thousands

b. FFY 97 \$ 7,418 thousands

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

4.19-A Page 30 (NEW)

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):

10. SUBJECT OF AMENDMENT:

This amendment establishes the payment methodology for reimbursing hospitals for GME cost provided to MC+ recipients which are not reimbursed by the HMO.

11. GOVERNOR'S REVIEW (Check One):

- ☒ GOVERNOR'S OFFICE REPORTED NO COMMENT  
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

*[Signature]*

13. TYPED NAME:

GARY J. STANGLER

14. TITLE:

DIRECTOR, DEPARTMENT OF SOCIAL SERVICES

15. DATE SUBMITTED:

16. RETURN TO:

Division of Medical Services  
P.O. Box 6500  
Jefferson City, MO 65102-6500

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

01/08/96

18. DATE APPROVED:

JUN 06 2001

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

12/11/95

20. SIGNATURE OF REGIONAL OFFICIAL:

*[Signature]*

21. TYPED NAME:

Thomas W. Lenz

22. TITLE:

ARA for Medicaid & State Operations

23. REMARKS:

cc:  
Martin  
Vadner  
Haite

SPA CONTROL  
Date Submitted 12/28/95  
Date Received 01/08/96



XXIX Medicaid GME Add-On

A Medicaid Add-On determined for Graduate Medical Education (GME) costs shall be allocated based on the estimated effect of implementation of a Medicaid managed care system such as MC+ in accordance with this section.

(A) The Medicaid GME Add-on for Medicaid clients covered under a Managed Care Plan shall be determined using the 1993 Medicaid cost report and paid in quarterly installments. The hospital per diem shall continue to include a component for GME related to Medicaid clients not included in a managed care system.

1. Total GME cost shall be multiplied by a managed care allocation factor which incorporates the estimated percentage of the hospitals Medicaid population included in a managed care system and the estimated implementation date for a managed care system. For example: If a hospital has 1) an annual GME cost of \$100,000, 2) 40% of their Medicaid days are related to Medicaid recipients eligible for Medicaid managed care, and 3) the projected implementation date for managed care is 10/1/95; the prorated GME Add-On is \$30,000 [ $\$100,000 * 40\% * 75\%$ ].

2. The annual GME Add-On shall be paid in quarterly installments.

State Plan TN# 95-49  
Supersedes TN# N/A

Effective Date 12/1/95  
Approval Date JUN 06 2001



## Findings, Assurances, Related Information

### Findings and Assurances

In conformity with Title 42 CFR Section 447.253(a) and (b), the Department of Social Services/Division of Medical Services DSS/DMS) makes the following findings and assurances:

- Inpatient hospital facility rates of payment have been found to be reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated providers to provide services in conformity with applicable State and Federal laws, regulations, and quality and safety standards.
- The methods and standards used to determine payment rates take into account the situation of hospitals which serve a disproportionate number of low income patients with special needs.
- The methods and standards used to determine payment rates provide that reimbursement of hospital patients receiving services at an inappropriate level of care under conditions similar to those described in section 1861(v)(1)(G) of the Act will be made at lower rates, reflecting the level of care actually received, in a manner consistent with section 1861(v)(1)(G).
- The payment rates are adequate to assure that recipients have reasonable access, taking into account geographic location and reasonable travel time, to inpatient hospital services of adequate quality.
- The estimated weighted average proposed payment rate is reasonable expected to pay no more in the aggregate for inpatient services to non state-operated facilities than the amount that the agency reasonably estimates would be paid for the services under the Medicare principles of reimbursement.
- The estimated weighted average proposed payment rate is reasonably expected to pay no more in the aggregate for inpatient services to state-operated facilities than the amount that the agency reasonable estimates would be paid for the services under the Medicare principles of reimbursement.
- The payment methodology used by the State for payments to hospitals for medical assistance can reasonably be expected not to increase payments solely as a result of a change of ownership in excess of the increase which would result from application of 42 U.S.C. 1861(v)(1)(0) of the Social Security Act for all changes of ownership which occur on or after July 18, 1984, except for those changes made pursuant to an enforceable agreement executed prior to that date.

App JUN 06 2001



- DSS/DMS provides hospitals with an appeals or exception procedure that allows individual providers an opportunity to submit additional evidence and receive prompt administrative review of payment rates with respect to such issues as DSS/DMS determines appropriate.
- DSS/DMS requires the filing of uniform cost reports by each participating provider.
- DSS/DMS provides for periodic audits of the financial and statistical records of participating providers.
- DSS/DMS published prior notice of said change in accordance with Title 42 CFR Section 447.205 prior to the effective implementation of the change.
- DSS/DMS pays for inpatient hospital services using rates determined in accordance with methods and standards specified in the approved State Plan.
- Aggregate payments which are made for inpatient services to state-operated hospitals, when considered separately, do not exceed the amount that can reasonably be estimated would have been paid under Medicare payment principles.

#### Related Information

In conformity with Title 42 CFR Section 447.255, DSS/DMS is submitting with the findings and assurances the following related information:

- The estimated weighted average payment rate for inpatient hospital care for in-state facilities, including disproportionate share providers and excluding state operated facilities, out-of-state and federally operated in-state hospitals, is currently \$627.91 per day. This amendment will not change the average weighted payment rate.
- This proposed plan amendment to the payment rates paid to out-of-state federally operated hospital weighted average rate remains \$414.36.
- DSS/DMS does not anticipate that this amendment will have any long-term impact on the availability of services, type of care furnished, or the extent of provider participation on a statewide or geographic area basis.
- Those hospitals which meet the definition of a disproportionate share provider as set forth in the approved State Plan, will receive a rate adjustment. Based on additional information relating to Title XIX utilization and costs submitted by these providers, rate increases are granted which facilitate reimbursement of a greater percentage of Title XIX costs than that allowed non-disproportionate share providers.



- The State's Inpatient Hospital Reimbursement Plan provides that a change in ownership/management of a hospital is not subject to review for rate reconsideration. Under the State's current methodology, hospital payment rates do not increase solely as a result of a change in ownership.